

Texas Insurance Regulator Wins Top National Award

The National Association of Insurance Commissioners (NAIC) presented its highest award to Danny Saenz of the Texas Department of Insurance (TDI) at its Fall 2011 meeting in National Harbor, MD, in September. Saenz, who serves as Deputy Commissioner of the Financial Services Division at TDI, received the Robert Dineen Award for his contributions to the state regulation of insurance over a career spanning 23 years.

“Danny has earned the admiration and respect of colleagues at TDI and NAIC, as well as in the insurance industry and among international regulators and officials,” said Commissioner Kitzman. “His insight and counsel have been invaluable to me since I became Commissioner and I am thrilled that he is being honored by his peers.”

Saenz has served as a member of NAIC’s Financial Analysis Working Group since its inception, working closely on coordination and communication of troubled company situations. He serves as one of the primary contacts on AIG life insurance issues and serves as a resource

to the federal government on state insurance matters. In his role as co-chair of the Group Solvency Issues Working Group, Saenz has played a key role in the development and adoption of revisions to the Holding Company Model Act and Model Regulation; development and adoption of the new Part B Accreditation Financial Analysis Review Team Guidelines; development of holding company best practices; and drafting of an NAIC Own Risk Solvency Assessment Guidance Manual. In addition, Saenz has traveled extensively to represent the NAIC abroad at the European Insurance and Occupational Pensions Authority and the International Association of Insurance Supervisors.

Established in 1989 and named in honor of the founder of the NAIC’s Support and Services Office, the Robert Dineen Award is presented to an individual in recognition of his or her outstanding achievement as a career regulator. It is the highest individual honor bestowed by the NAIC.



TDI Deputy Commissioner Danny Saenz (right) is congratulated on receiving the 2011 Robert Dineen Award by NAIC President Susan E. Voss

HHS Denies Texas’ Application for Medical Loss Ratio Adjustment

The Secretary of the U.S. Health and Human Services Department (HHS) issued a determination on January 27 that a request from the Texas Department of Insurance to allow for a three-year, phased-in Medical Loss Ratio (MLR) requirement for health insurers was denied.

In denying Texas’ application, HHS stated that it took into account each carrier’s MLR and profitability in making its decision and asserted that few issuers are reasonably likely to exit the individual market in Texas. The Department’s application clearly showed otherwise. Of the 34 Texas carriers subject to the law, 23 will pay rebates based on 2010 data; at the 80 percent MLR threshold, these rebates will absorb the net underwriting profit for the entire individual market.

HHS’ decision does not allow sufficient time for carriers to adjust their operating models, nor does it contemplate the effects on small and mid-level carriers that lack the resources

and administrative economies of scale to compete in the individual market under the Patient Protection and Affordable Care Act (PPACA). A reasonable, responsible phased-in approach would still have afforded rebates to Texas consumers without risking disruption, dislocation and withdrawal of carriers in the individual market. The Department will continue to work to ensure the availability of high-quality, high-value health insurance to this important underserved segment of the market.

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The staff that prepares this newsletter has no role in proposing, drafting, editing, or approving TDI rules or policies or interpreting statutes. **TDInSight** should not be construed to represent the policy, endorsement or opinion of the Commissioner of Insurance or the Texas Department of Insurance.

By necessity, summaries of proposed and adopted rules cannot explain their full complexity. Readers interested in complete information about administrative rules should consult the versions published in the Texas Register.

To the best of the staff's ability, information presented in this newsletter is correct as of the publication date, but scheduled dates and proposed rules and amendments may change as the adoption process goes forward.

Commissioner Kitzman Named to NAIC Committees

The National Association of Insurance Commissioners (NAIC) has named its 2012 committee chairs and vice chairs, and assigned members to the organization's standing committees.

"This year's committee leadership reflects the broad experience and expertise of our membership," said Kevin M. McCarty, NAIC President and Florida Insurance Commissioner. "I look forward to working closely with them on major initiatives this year to enhance our national system of state-based regulation."

Commissioner Kitzman was named Chair of the NAIC Financial Regulation Standards and Accreditation Committee and Vice Chair of the Financial Condition Committee. The committee positions have a one-year term.

14th Annual TDI Fraud Conference Held

The 14th Annual TDI Fraud Conference was held February 28–29, 2012 in Austin, Texas at the Commons Conference center on the University of Texas J. J. Pickle Research Campus.

The fraud conference provides an opportunity for insurance company investigators (SIUs) and local, state and federal law enforcement who are involved with the investigation of insurance fraud to learn about new investigative techniques, fraud scams, changes in laws and the capability to network with other professionals.

For more information contact the Fraud Unit at (512) 463-6492 or FraudConference@tdi.state.tx.us.



Texas Fraud Prosecutor Receives National Award

Kyson Johnson, the state's only dedicated insurance fraud prosecutor, has been named 2011 Prosecutor of the Year by the Coalition Against Insurance Fraud. Johnson received the award in ceremonies held December 7 in Washington, D.C.

Johnson was honored for his successful record in prosecuting criminals involved with various forms of insurance fraud including staged car accidents, owner give up schemes, arson and theft of premiums. During his seven years as Special Prosecutor in the Dallas County District Attorney's Office, Johnson has prosecuted more than 250 cases of insurance fraud that have resulted in \$250,000 in fines and \$7 million in restitution.

Commissioner Kitzman praised Johnson for his work.

"Kyson has a noteworthy record of achievements as an insurance fraud prosecutor, a litigator and army officer," Kitzman said. "Kyson's efforts have enhanced communication, cooperation and the effectiveness of Texas anti-fraud initiatives."

Johnson is also a Major in the U.S. Army Reserve serving as a Deputy Regional Defense Counsel. He served time in Iraq as a prosecutor in the aftermath of the Abu Ghraib prison scandal.

Johnson has a unique arrangement specializing in insurance fraud cases within the Dallas County District Attorney's Office, but is a paid employee of the Texas Department of Insurance (TDI). Dallas County District Attorney Craig Watkins says Johnson has made the most of this unique situation.

"Kyson Johnson is a talented prosecutor whose expertise has made a tremendous impact on our ability to seek justice on insurance fraud cases in Dallas County," Watkins said. "We are extremely proud to have him on our team and we look forward to continuing our successful relationship with the Texas Department of Insurance."

TDI's Associate Commissioner of Fraud Dennis Pompa said Johnson's work within the Dallas County District Attorney's Office has proved invaluable and his ability to liaison with law enforcement officers and special investigators has been a tremendous asset.

The Prosecutor of the Year Award is the only national award to honor anti-fraud prosecutors for excellence in the courtroom and leadership within the anti-fraud community. The award encourages best practices in fraud prosecutions by highlighting the work of the profession's best and brightest.



TDI's Kyson Johnson named Prosecutor of the Year by the Coalition Against Insurance Fraud.

Report Insurance Fraud to TDI

Texas Insurance Code Section 701.051 requires that any suspected insurance fraud be reported to the Texas Department of Insurance Fraud Unit within 30 days of suspecting the act. Insurance fraud occurs when companies, agents, adjusters, health care providers, or consumers intentionally deceive others or misrepresent facts for financial gain.

TDI provides information on types of insurance fraud and fraud prevention tips on the agency website at www.tdi.texas.gov/pubs/consumer/cb044.html. Online fraud reporting forms for both consumers and insurers are posted at: www.tdi.texas.gov/fraud/frsiufrpt.html.

Insurance fraud can occur in many ways. Some examples include: insurance sold by unlicensed companies; overbilling of insurance companies by health care providers; padding of auto accident claims by individuals; and filing of untruthful reports of workplace injuries to collect workers' compensation insurance benefits.

In Fiscal Year 2011, TDI opened 577 insurance fraud investigations and referred 187 cases of prosecution. At total of about \$23.8 million in fraud was identified in the referred cases. From the cases that resulted in convictions, more than \$6.5 million in restitution was ordered paid by the courts.

For consumers, general tips for avoiding insurance fraud include:

- Beware of really low premiums.
- Make sure the company and agent are licensed. License status and other information about companies and agents is available on the agency website at www.tdi.texas.gov or by calling the Consumer Help Line at 1-800-252-3439.
- Take your time.
- Always pay by check or credit card.
- Be cautious of policies sold door to door or over the phone.

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Report Insurance Fraud to TDI continued from page 3

- If you buy insurance over the Internet, take the same precautions as you would for any insurance purchase.
- Keep and protect your insurance documents.

TDI provides a checklist for parties to use when filing a report of suspected insurance fraud. The full checklist is available online along with the fraud reporting form. Items on the checklist for insurance companies to note include:

- Names of people and entities involved in the fraudulent act.
- Date(s) when the fraudulent act occurred.

- Dollar amount of claim and whether the claim was paid, denied, or is pending.
- Location where the fraudulent act occurred.
- A detailed description of any efforts to contact parties involved in the fraudulent act.
- A detailed description of why the claim or act is suspected to be fraudulent.
- Information regarding reports that may have been made to other law enforcement agencies or the National Insurance Crime Bureau (NICB).

For more information, call the Consumer Help Line at 1-800-252-3439.

Agents Reminded to Meet Continuing Education Requirements for Licensure

TDI's Agent and Adjuster Licensing Division is enhancing efforts to ensure that licensed persons are able to meet their required continuing education (CE) obligations under Texas Insurance Code Chapter 4004. Postcard notifications will be mailed out to license holders prior to their renewal deadline to remind each agent that they may have additional CE hours to complete. Notices will be mailed out to the licensee's last known mailing address.

License holders should verify that all Texas CE credit is current and has been posted to their Sircon CE transcript. Their transcript may be viewed at www.Sircon.com/Texas by clicking on "Look up Education courses/Credits" in the left-hand column and then clicking on "Continuing Education Transcript Inquiry".

Licensees who have completed certified CE courses that are not posted to their CE transcript are encouraged to contact their CE course provider and request that the CE credit be posted. After 30 days, if the credit is not posted, please e-mail a copy of the certificate of completion with a brief explanation to CE@tdi.state.tx.us or fax to 512-490-1054.

If additional qualifying CE credit has been earned (for example, by passing a National Designation exam) the individual should review TDI form LHL615. This form is found on the agency web site and provides instructions on how to request this type of credit to be posted to the licensees' CE transcript. Be sure to include the required documentation with the request form. For further clarification of the types of courses that can be claimed for qualifying credit, refer to the Continuing Education Information for Agent/All Adjuster page on the agency web site.

Licensees who have been continuously licensed by TDI for at least 20 years and have not applied for a permanent exemption from CE can do so by completing the form LHL216 found on the agency web site, or by going to www.Sircon.com/Texas and clicking on "Request CE Exemption." A request for a duplicate exemption letter can be made by sending an e-mail to CE@tdi.state.tx.us with "Duplicate Exemption Letter" in the subject line.

Any license holder who has changed their status from a non-resident to a Texas resident licensee within the past two years may be required to complete a reduced number of hours for that licensing period. If a person's CE transcript does not reflect a correct amount of hours under "Required Hours" for that licensing period, the licensee should send an e-mail to CE@tdi.state.tx.us with the words "Prorated CE" in the subject line in order to make a correction.

If a licensee surrenders their license or does not renew it, that licensee cannot perform the acts of a licensed insurance agent. As part of the cancellation and non-renewal process all related appointments will be cancelled and any insurers notified. The cancellation or failure to renew does not remove the CE violation and the record will remain associated with the individual's record for a period of five years.

Please note that pursuant to 28 Texas Administrative Code Section 19.1016, the automatic fine for failure to obtain the required number of CE hours is \$50 per credit hour not completed.

More information available via e-mail at CE@tdi.state.tx.us or by phone at 512-322-3503.

State Fire Marshal's Office Staff Attend Texas K9 Conference

The State Fire Marshal's Office (SFMO) Accelerant Detection Canines (ADC), and their handlers joined 38 other canine teams from Texas, Oklahoma, Louisiana, and California to participate in the 2011 Texas K9 Conference and North American Police Work Dog Association (NAPWDA) Workshop. The conference was hosted by the SFMO and the Dallas Fire-Rescue Department October 23 – 28, 2011 in Dallas.

The purpose of the annual conference is to certify/re-certify K9 teams in specialized areas. NAPWDA Master Trainer Matthew Devaney, U.S. Department of Homeland Security Customs and Border Protection Canine Center, and SFMO Deputy State Fire Marshal and Accelerant Detection Canine Instructor Tommy Pleasant lead the accelerant detection canine training.

SFMO canine teams participated in multiple accelerant detection tests designed to duplicate actual field conditions in a variety of realistic search scenarios a team may encounter in the field. Once the canine team passes the tests, their certification is valid for one year from the date of issue. Accelerant detection canines receive NAPWDA and SFMO certification.



A chemist is also onsite to provide and verify accelerant samples used during certification.

The State Fire Marshal's Office has four accelerant detection canine (ADC) teams.

"All the Texas trained canines are European dogs that are trained on 14 accelerants, from which we get over 60 brand names of ignitable liquids," Pleasant said. "The Texas canines are play reward dogs which means they work off of their natural drives."

(From left to right) Investigator and ADC Handler Clint Williams; Investigator and ADC Handler Tommy Pleasant; Chemist Emerald Nazareno; Investigator and ADC Handler Tommy Hubertus; and Investigator and ADC Handler David Rives

U.S. Attorney Announces Guilty Plea in Insurance Fraud Scheme

Christopher Purser, 50, of Houston, pleaded guilty on October 5 to the federal felony offense of conspiracy to commit wire fraud. The plea was announced by United States Attorney Kenneth Magidson along with Internal Revenue Service Criminal Investigations (IRS-CI) Special Agent in Charge Rodney E. Clarke.

Purser, who was banned in 2003 by the Texas Department of Insurance (TDI) from any involvement in the insurance business, admitted to selling liability insurance policies from 2004 to 2006 to apartment complexes, condominium associations, bars and restaurants while disguising his true identity and the existence of the ban. One of the companies that purchased the insurance was Shoreline Cruises Inc., which operated a 40-foot tour boat called the *Ethan Allen* on Lake George, NY. The *Ethan Allen* sank on Oct. 2, 2005, in a tragic accident that claimed the lives of 20 elderly tourists.

In April 2003, TDI revoked Purser's insurance license and ordered him to cease and desist from conducting any insurance business in Texas.

Purser first sold marine liability insurance to Shoreline Cruises Inc. in May 2004. Purser renewed the policy a year later. The sinking of the *Ethan Allen* on Oct. 2, 2005, gave rise to substantial claims against the policy. In response, Purser presented backdated documents to make it appear, falsely, that the policy did not cover the *Ethan Allen* while the boat was operating on Lake George. In fact, Shoreline Cruises Inc. had purchased exactly that type coverage. In any event, none of the purported insurance companies had any ability to pay the claims.

Purser faces a maximum of 20 years in federal prison without parole to be followed by a maximum three years of supervised release, a fine of up to \$250,000 and an order to pay full restitution to victims.

Five other defendants were charged along with Purser.



Fraud Case Dispositions

The following recent court actions were taken involving insurance fraud cases investigated by the Texas Department of Insurance Fraud Division. Additional information about insurance fraud is available on the agency website at:

www.tdi.state.tx.us/fraud/index.html

July 2011

Ahmed A. Alfatlawy pled guilty on 6/30/11 in Dallas to Insurance Fraud, a state jail felony. Alfatlawy was sentenced to 18 months deferred adjudication, fined \$500, and ordered to pay \$11,870 in restitution.

Timothy (Shawn) Forte pled guilty on 6/20/11 in Dallas to Insurance Fraud, a state jail felony. Forte was sentenced to 24 months deferred adjudication, 120 hours of community service, fined \$1,500, and ordered to pay \$9,430 in restitution.

Brandyn Gipson pled guilty on 6/30/11 in Dallas to Insurance Fraud, a state jail felony. Gipson was sentenced to probation of 24 months, 120 hours of community service, and ordered to pay \$3,665 in restitution.

Stephanie Harmon pled guilty on 6/30/11 in McKinney to Theft, a 3rd degree felony. Harmon was sentenced to 36 months deferred adjudication, 160 hours of community service, and fined \$500.

Shaniquia Kelley pled guilty on 7/21/11 in Dallas to Theft, a state jail felony. Kelley was sentenced to 60 months deferred adjudication, 120 hours of community service, fined \$1,500, and ordered to pay \$10,000 in restitution.

Vincent McGranahan pled guilty on 3/25/11 in Galveston to Insurance Fraud, 3rd degree felony. McGranahan was sentenced to 24 months deferred adjudication and ordered to pay \$10,600 in restitution.

Kimberly D. Patton pled guilty on 6/24/11 in Dallas to Aggregated Theft, a state jail felony. Patton was sentenced to 24 months deferred adjudication, 120 hours of community service, fined \$1,500, and ordered to pay \$8,688.80 in restitution.

Sharon Ware pled guilty on 6/10/11 in New Boston to Insurance Fraud, a 3rd degree felony. Ware was sentenced to 120 months deferred adjudication, 400 hours of community service, and ordered to pay \$31,851 in restitution.

Kassandra A. Willis pled guilty on 7/5/11 in Canyon to Fraudulently Obtaining Benefits, a state jail felony. Willis was sentenced to 36

months deferred adjudication, 220 hours of community service, fined \$1,000, and ordered to pay \$4,106 in restitution.

August 2011

Christopher Cooper pled guilty on July 15, 2011, in Houston, Harris County to Insurance Fraud, third degree felony. Cooper was sentenced to confinement in jail for 36 months.

Patrick Cordero Jr. pled guilty on July 15, 2011, in the United States District Court Western District of Texas to a federal offense. Cordero was sentenced to 60 months probation, fined \$10,100, and ordered to pay \$170,102 in restitution.

Melva J. Elizondo pled guilty on June 14, 2011, in Dallas, Dallas County to Insurance Fraud, state jail felony. Elizondo was sentenced to 24 months deferred adjudication and fined \$1,500.

Merissa Love pled guilty on July 26, 2011, in San Antonio, Bexar County to Insurance Fraud, class A misdemeanor. Love was sentenced to 24 months deferred adjudication, fined \$800, and ordered to pay \$7,802 in restitution.

Stephen Marnoch pled guilty on June 8, 2011, in San Antonio, Bexar County to Insurance Fraud, third degree felony. Marnoch was sentenced to confinement in jail for 96 months, fined \$1,500, and ordered to pay \$10,359 in restitution.

Mariselda G. Ramos pled guilty on August 9, 2011, in Austin, Travis County to Theft, third degree felony. Ramos was sentenced to 120 months deferred adjudication, 250 hours of community service, and ordered to pay \$25,654 in restitution.

Marcus J. Rosenberger pled guilty on July 1, 2011, in the United States District Court Western District of Texas to a federal offense. Rosenberger was sentenced to confinement in jail for 33 months, 36 months probation, fined \$100, and ordered to pay \$85,051 in restitution.

Tammy M. Russell pled guilty on March 25, 2011, in San Antonio, Bexar County to Misapplication of Fiduciary Property, state jail felony. Russell was sentenced to 24 months deferred adjudication, fined \$1,000, and ordered to pay \$6,000 in restitution.

Aaron Spearman pled guilty on July 27, 2011, in Denton, Denton County to Theft, state jail felony. Spearman was sentenced to 60 months deferred adjudication, 120 hours of community service, and ordered to pay \$3,060 in restitution.

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Fraud Case Dispositions *Continued from page 6*

David Supercinski pled guilty on August 11, 2011, in Austin, Travis County to False Statement for Property or Credit, third degree felony. David Supercinski also pled guilty on August 18, 2011, in Austin, Travis County to Theft, third degree felony. Supercinski was sentenced to 36 months probation, 60 hours of community service, and ordered to pay \$18,500 in restitution.

September 2011

Marcellius Anunobi pled guilty on July 19, 2011, in San Antonio, Bexar County to Insurance Fraud, 3rd degree felony. Anunobi was sentenced to confinement in jail for 120 months, fined \$1,500, and ordered to pay \$32,493 in restitution.

Doris Brannan pled guilty on August 25, 2011, in Hempstead, Waller County to Insurance Fraud, state jail felony. Brannan was sentenced to 60 months deferred adjudication and ordered to pay \$7,700 in restitution.

Adrian Chavera pled guilty on September 14, 2011, in Dallas, Dallas County to Insurance Fraud, class A misdemeanor. Chavera was sentenced to 12 months deferred adjudication and fined \$750.

Richard Flores pled guilty on August 22, 2011, in San Antonio, Bexar County to Insurance Fraud, state jail felony. Flores was sentenced to 60 months deferred adjudication, fined \$2,000, and ordered to pay \$6,748 in restitution.

David Garcia pled guilty on August 23, 2011, in Angleton, Brazoria County to Misapplication of Fiduciary Property, state jail felony. Garcia was sentenced to 24 months deferred adjudication, 100 hours of community service, fined \$500, and ordered to pay \$7,813 in restitution.

Kimberly Price pled guilty on August 25, 2011, in Houston, Harris County to Insurance Fraud, class A misdemeanor. Price was sentenced to 24 months deferred adjudication, 80 hours of community service, and ordered to pay \$12,520 in restitution.

Mark Williamson pled guilty on June 30, 2011, in Georgetown, Williamson County to Unlawful Use of Criminal Instrument, class A misdemeanor. Williamson was fined \$1,000.

October 2011

Zahir Abbassi pled guilty on October 11, 2011, in Houston, Harris County to Insurance Fraud, 3rd degree felony. Abbassi was sentenced to 36 months deferred adjudication.

Oscar Castillo Jr. pled guilty on July 1, 2010, in San Antonio, Bexar County to Other Penal Offense, state jail felony. Castillo was sentenced to 36 months deferred adjudication, 280 hours of community service, fined \$2,310, and ordered to pay \$4,722 in restitution.

Shawn Cooley pled guilty on October 6, 2011, in Dallas, Dallas County to Aggregated Theft, 3rd degree felony. Cooley was sentenced to 96 months deferred adjudication, fined \$2,500, and ordered to pay \$29,536.25 in restitution.

Othon Mendez pled guilty on October 24, 2011, in San Antonio, Bexar County to Theft, state jail felony. Mendez was sentenced to 24 months deferred adjudication, fined \$1,500, and ordered to pay \$12,249.49 in restitution.

Rufus Milton was tried and sentenced in court for Insurance Fraud, state jail felony on September 23, 2011, in Fort Worth, Tarrant County. Milton was sentenced to confinement in jail for 6 months.

Kyle R. Rigdon pled guilty on September 8, 2011, in Denton, Denton County to Insurance Fraud, state jail felony. Rigdon was sentenced to 36 months deferred adjudication, 100 hours of community service, and ordered to pay \$10,104.80 in restitution.

Melvin L Roberts II pled guilty on October 7, 2011, in Dallas, Dallas County to Insurance Fraud, state jail felony. Roberts was sentenced to 24 months deferred adjudication, 120 hours of community service, fined \$1,500, and ordered to pay \$4,833 in restitution.

William Rubio pled guilty on October 18, 2011, in Houston, Harris County to Insurance Fraud, state jail felony. Rubio was sentenced to a confinement in jail of 60 days, 36 months deferred adjudication, 120 hours of community service, and ordered to pay \$4,296.44 in restitution.

Konie Peteete pled guilty on August 4, 2011, in Georgetown, Williamson County to Misapplication of Fiduciary property, 3rd degree felony. Peteete was sentenced to confinement in jail of 6 months, 120 months probation, and ordered to pay \$111,548.56 in restitution.

Wallace L. Stotts pled guilty on June 7, 2011, in Amarillo, Potter County to Fraudulently Obtaining Benefits, state jail felony. Stotts was sentenced to 36 months deferred adjudication, fined \$200, and ordered to pay \$3,995.50 in restitution.

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Fraud Case Dispositions *Continued from page 7*

Chris Thompson pled guilty on September 28, 2011, in Dallas, Dallas County to Insurance Fraud, class B misdemeanor. Thompson was sentenced to 18 months deferred adjudication, 80 hours of community service, and fined \$500.

November 2011

Talent Chari pled guilty on October 27, 2011, in Dallas, Dallas County to Insurance Fraud, class A misdemeanor. Chari was sentenced to 18 months deferred adjudication and fined \$1,500.

Bertrand A. Chartier pled guilty on September 27, 2011, in San Antonio, Bexar County to Insurance Fraud, class A misdemeanor. Chartier was sentenced to 24 months probation and fined \$4,000.

Sean D. McGee pled guilty on July 12, 2011, in Waco, McLennan County to Insurance Fraud, state jail felony. McGee was sentenced to 60

months deferred adjudication, 300 hours of community service, fined \$1,000, and ordered to pay \$5,353.31 in restitution.

Teke Strauss pled guilty on November 1, 2011, in Houston, Harris County to Insurance Fraud, 3rd degree felony. Strauss was sentenced to 60 months deferred adjudication, 100 hours of community service, and ordered to pay \$20,763.45 in restitution.

Stefani Anderson pled guilty on September 27, 2011, in Conroe, Montgomery County to Aggregated Theft, state jail felony. Anderson was sentenced to confinement of 7 months.

Yashare K. Ramey pled guilty on October 17, 2011 in Houston, Harris County to Misapplication of Fiduciary Property, 2nd degree felony. Ramey was sentenced to 120 hours of deferred adjudication and ordered to pay \$75,656 in restitution.

InDiscipline

TDI Enforcement Actions

Texas Department of Insurance enforcement actions which became final in August through December 2011 cited violations of the Texas Insurance Code by insurance agents, and insurance companies and agencies.

The total of fines and restitution ordered during the five-month period was \$9,187,200.

TDI ordered the revocation of 28 insurance agent licenses for violations including misappropriation or conversion of money belonging to an insurer or insured; unauthorized insurance; engaging in dishonest or fraudulent acts or practices; and failure to comply with continuing education requirements.

Ten insurance agent license applications were denied by TDI during the time period.

In August 2011, TDI fined an auto insurer \$250,000 and ordered the company to pay \$7 million in refunds and credits to policyholders for improper rating of automobile insurance coverage and failure to properly file rating and underwriting information.

In September 2011, TDI fined a re-insurer \$220,000 for failure to file annual and quarterly statements as required by state law.

Copies of Commissioner's Orders may be obtained by contacting TDI's Public Information Office.

An order imposing disciplinary measures becomes final 20 days after the agent or insurance company has received notice of the order unless a motion for rehearing is filed within that period. A motion for rehearing stays the finality of an order until the Commissioner of Insurance acts upon the motion or upon the operation of law. Commissioner's orders are subject to appeal to state district court.

Name Changes

COMPANY NAME	LOCATION	CHANGE	DATE
American Family Home Insurance Company	Jacksonville, FL	Added Workers' Compensation & Employers' Liability Insurance	11/07/11
American Modern Home Insurance Company	Amelia, OH	Added Workers' Compensation & Employers' Liability Insurance	01/09/12
AMIL International Insurance Company Inc.	Austin, TX	C/A Cancel And Dissolved	12/01/11
AMIL International (Texas), Inc.	Austin, TX	C/A Cancel-Voluntarily Withdrew From Texas	12/01/11
Chrysler Insurance Company	Farmington Hills, MI	Corepointe Insurance Company	04/20/11
Citizens Fire Insurance Company, assumed name of Citizens Insurance	Louisville, KY	Viceroy Insurance Company, Lexington, KY	04/21/11
Cologne Reinsurance Company of America	Stamford, CT	C/A cancelled or merged w/General Reinsurance Corporation, Wilmington, DE	05/19/11
Colonial American Life Insurance Company	Souderton, PA	C/A cancelled-Voluntarily withdrew from Texas	09/13/11
Commerce Title Insurance Company	Anaheim, CA	Premier Land Title Insurance Company	08/29/11
Company Claimetrics Management, LLC-TPA	Reno, NV	No longer involved in TPA business	06/20/11
Continental Western Insurance Company	Urbandale, IA	Added hail, rain, ocean marine, air-liability & physical damage, employers' liability, forgery and livestock insurance	07/08/11
Cooperative Mutual Insurance Company	Omaha, NE	C/A cancelled or merged w/ Austin Mutual Insurance Company, Maple Grove, MN	04/20/11
Cornhusker Casualty Company	Omaha, NE	Berkshire Hathaway Homestate Insurance Company	07/18/11
Corvel Healthcare Corporation-TPA	Irvine, CA	No longer involved in TPA business	07/19/11
C.P.A. Insurance Company	West Bloomfield, MI	C/A Cancel-Voluntarily Withdrew From Texas	11/14/11
Cranbrook Insurance Company	Arlington, TX	Atain Insurance Company	09/28/11
Deerbrook Insurance Company	Northbrook, IL	Allstate Vehicle and Property Insurance Company	06/21/11
Delos Insurance Company	Wilmington, DE	Imperium Insurance Company	05/19/11
Destiny Management Company, LLC - TPA	Bethesda, MD	No Longer Involved In TPA Business	01/27/12
Eastern Alliance Insurance Company	Lancaster, PA	Added workers' compensation & employers' liability Insurance	06/29/11
Employers Assurance Company	North Palm Beach, FL	Maitland, FL	04/20/11
Employers Mutual Casualty Company	Des Moines, IA	Deleted accident and health insurance	08/29/11
Employers Preferred Insurance Company	North Palm Beach, FL	Maitland, FL	04/20/11
Epic Life Insurance Company, The	Madison, WI	Monona, WI	11/21/11
Epoch Group, L.C., The-TPA	Kansas City, MO	No longer involved in TPA business	06/23/11
Evercare Of Texas, L.L.C.	Houston, TX	Unitedhealthcare Community Plan Of Texas, L.L.C.	01/02/12
Farmers Alliance Mutual Insurance Company	McPherson, KS	C/A cancelled-voluntarily withdrew from Texas	10/20/11
FCCI Insurance Company	Sarasota, FL	Added employers' liability insurance	10/20/11
Financial Guaranty Insurance Company	New York, NY	Corrected company type in coup from 2008 to 2010-no amended C/A	04/26/11
Frank Winston Crum Insurance, Inc.	Clearwater, FL	Added liability other than auto	08/23/11
Germantown Insurance Company	Philadelphia, PA	C/A Cancel-Voluntarily Withdrew From Texas	11/14/11
Golden Palms Retirement & Health Center	Harlingen, TX	Golden Palms Operating Company, LLC, dba Golden Palms Retirement & Health Center	09/15/11
Greentree Administrators, Inc.-TPA	Beaumont, TX	No longer involved in TPA business	05/19/11
Greenwich Insurance Company	Wilmington, DE	Added Rain Insurance	01/12/12
Guarantee Insurance Company	Wilmington, DE	Fort Lauderdale, FL	12/01/11

Name Changes

COMPANY NAME	LOCATION	CHANGE	DATE
Guggenheim Life and Annuity Company	Wilmington, DE	Added Health Insurance	07/19/11
Hallmark Insurance Company	Phoenix, AZ	Added Workers' Compensation & Employers' Liability Insurance	11/14/11
Hanover American Insurance Company, The	Bedford, NH	Added hail, rain, ocean marine, air-liability & physical damage, workers' compensation & employers' liability and reinsurance	08/23/11
Health Plan Administrators, Inc., dba Tongue, Brooks and Company, Inc.-TPA	Baltimore, MD	No longer involved in TPA business	07/12/11
Healthspring Life & Health Insurance Company, Inc.	Houston, TX	Added accident and full HMO authority	07/22/11
Heritage Union Life Insurance Company	Scottsdale, AZ	Minneapolis, MN (Charter Amendment)	11/14/11
Housing Authority Property Insurance, A Mutual Company	Burlington, VT	Deleted workers' comp & employers liability and employers liability Insurance	10/20/11
Houston Specialty Insurance Company	Wilmington, DE	Houston, TX(Charter Amendment) From Foreign To Domestic	12/30/11
IA American Life Insurance Company	Atlanta, GA	Waco, TX (Charter Amendment)	01/12/12
Imperium Insurance Company	Wilmington, DE	Houston, TX(Charter Amendment) From Foreign To Domestic	12/30/11
Instil Health Insurance Company	Columbia, SC	C/A Cancel-Voluntarily Withdrew From Texas	12/14/11
Kentucky National Insurance Company	Lexington, KY	Voluntarily withdrew and C/A cancelled	04/20/11
Lafayette Life Insurance Company, The	Lafayette, IN	Cincinnati, OH (Charter Amendment)	09/28/11
Liberty Insurance Underwriters Inc.	New York, NY	C/A cancelled or merged w/ LM Personal Insurance Company, Hoffman Estates, IL	04/20/11
Liberty Life Assurance Company of Boston	Boston, MA	Concord, NH (Charter Amendment)	04/14/11
Life Insurance Company of the Southwest	Dallas, TX	Addison, TX	10/17/11
Lifestyle Benefits Network, Ltd., dba Lifeperks Benefits Network-TPA	Austin, TX	No longer involved in TPA business	07/19/11
LM Personal Insurance Company	Hoffman Estates, IL	Liberty Insurance Underwriters Inc.	04/20/11
Lone Star Risk Retention Group, Inc.	Austin, TX	C/A cancelled and charter dissolved	04/28/11
Managed Care Administrators, Inc.-TPA	Tulsa, OK	No longer involved in TPA business	06/23/11
Managed Healthcare Concepts, Inc.-TPA	Atlanta, GA	No longer involved in TPA business	05/19/11
Medical Claims Services, Inc., dba MCS of Massachusetts-TPA	Quincy, MA	No longer involved in TPA business	06/20/11
Merchants Bonding Company (Mutual)	Des Moines, IA	Added burglary & theft and reinsurance	09/28/11
Mercy Health Plans Of Missouri, Inc.	St. Louis, MO	C/A Cancel-Voluntarily Withdrew From Texas	11/21/11
MHF Insurance Administrators, Inc.-TPA	Jacksonville, FL	No longer involved in TPA business	06/20/11
Moslah Benefit Fund	Fort Worth, TX	C/A cancelled and charter dissolved	04/21/11
National Employee Benefit Administrators, Inc.-TPA	Houston, TX	No longer involved in TPA business	04/14/11
National Reinsurance Corporation	Wilmington, DE	C/A Cancel-Merge W/General Reinsurance Corporation, Wilmington, DE	12/28/11
National Union Fire Insurance Company of Louisiana	Baton Rouge, LA	C/A cancelled or merged w/ National Union Fire Insurance Company of Pittsburg, PA. Harrisburg, PA	09/15/11
National Union Fire Insurance Company of Pittsburg, Pennsylvania	Harrisburg, PA	Added workers' compensation & employers' liability insurance	08/01/11
National Union Fire Insurance Company of Pittsburg, Pennsylvania	Harrisburg, PA	National Union Fire Insurance Company of Pittsburg, PA	08/01/11
Nations Bonding Company	Austin, TX	Merchants National Bonding, Inc., Des Moines, IA (Charter Amendment)	01/02/12

Name Changes

COMPANY NAME	LOCATION	CHANGE	DATE
North Pointe Insurance Company	Harrisburg, PA	Added employers' liability and fidelity & surety Insurance	06/29/11
North Sea Insurance Company	Long Beach, CA	Added hail, rain, ocean marine, air-liability, accident, health, workers' compensation & employer liability, employer liability, fidelity & surety, forgery, boiler & machinery Insurance	10/27/11
North Star Reinsurance Corporation	Wilmington, DE	C/A cancelled or merged w/ General Reinsurance Corporation, Wilmington, DE	04/21/11
Nova Casualty Company	Buffalo, NY	Added Ocean Marine and Livestock Insurance	05/16/11
Odyssey America Reinsurance Corporation	Stamford, CT	Odyssey Reinsurance Company	07/18/11
Old Reliance Insurance Company	Phoenix, AZ	American Life & Security Corp., Scottsdale, AZ	12/09/11
OM Financial Life Insurance Company	Baltimore, MD	Fidelity & Guaranty Life Insurance Company	07/18/11
Pacificare of Texas, Inc.-HMO	Plano, TX	Unitedhealthcare Benefits of Texas, Inc.	05/03/11
Pathfinder Insurance Company	Denver, CO	Corrected company type in coup from 2008 to 2010--no amended C/A	04/26/11
Permanent General Assurance Corporation	Nashville, TN	Valley View, OH (Charter Amendment)	04/20/11
Philadelphia Financial Life Assurance Company	Plymouth Meeting, PA	Philadelphia, PA	04/20/11
Physicians Insurance Company	Pompano Beach, FL	Deerfield Beach, FL	09/13/11
Producers Agriculture Insurance Company	Amarillo, TX	Added Liability Other Than Automobile--Changed From Fire To Fire & Casualty	12/28/11
Quantum Southwest Medical Associates - TPA	San Antonio, TX	No Longer Involved In TPA Business	01/27/12
Quantum Southwest Medicalmanagement, Inc. - TPA	San Antonio, TX	No Longer Involved In TPA Business	01/27/12
Republic Western Insurance Company	Phoenix, AZ	Repwest Insurance Company	04/20/11
RGV Preferred Health Care, Inc. - HMO	McAllen, TX	C/A Cancel--Voluntarily Withdrew From Texas	12/14/11
Rural Community Insurance Company	Minneapolis, MN	Anoka, MN	12/09/11
Scor Global Life U.S. Re Insurance Company	Plano, TX	Wilmington, DE (Charter Amendment)	07/19/11
Scottish Re Life Corporation	Wilmington, DE	Dover, DE	09/28/11
Scottish Re (U.S.), Inc.	Wilmington, DE	Dover, DE	09/28/11
Southern General Insurance Company	Marietta, GA	Corrected company type in coup from 2008 to 2010--no amended C/A	04/26/11
Starr Indemnity & Liability Company	Dallas, TX	Added credit insurance	08/09/11
Sunbelt Insurance Company	Evadale, TX	Corrected company type in COUP from 2007 to 2009--no amended C/A	04/26/11
Tarrant Health Services, L.L.C.-TPA	Fort Worth, TX	No longer involved in TPA business	07/19/11
Texas Builders Insurance Company	Austin, TX	Corrected company type in coup from 2007 to 2009--no amended C/A	04/26/11
Texas Directors Life Insurance Company	Abilene, TX	San Antonio, TX	06/10/11
Texas Healthspring, LLC	Houston, TX	C/A cancelled or merged w/ Healthspring Life & Health Insurance Company, Inc., Houston, TX	04/21/11
Texas International Life Insurance Company	Austin, TX	Addison, TX	06/10/11
Third Party Administrators, Inc.-TPA	Garland, TX	No longer involved in TPA business	06/20/11
Third Party Advantage Administrators, Inc.-TPA	Garland, TX	No longer involved in TPA business	06/20/11
Triton Insurance Company	Fort Worth, TX	Corrected company type in coup from 2007 to 2009--no amended C/A	04/26/11
Unicare Health Insurance Company of Texas	Houston, TX	Austin, TX	09/13/11
Unicare Health Insurance Company of Texas	Austin, TX	MHealth Insurance Company, Houston, TX	10/20/11
Unicare Health Plans of Texas, INC.	Houston, TX	Austin, TX	09/13/11

Name Changes

COMPANY NAME	LOCATION	CHANGE	DATE
Unigard Insurance Company	Bellevue, WA	Sun Prairie, WI (Charter Amendment)	08/01/11
Union Insurance Company	Urbandale, IA	Added ocean marine, accident, health and boiler & machinery insurance	06/10/11
United Security Insurance Company	Greenwood Village, CO	Denver, CO	06/27/11
Unity Mutual Life Insurance Company	Syracuse, NY	C/A cancelled or merged w/ Columbian Mutual Life Insurance Company Binghamton, NY	10/17/11
Viking County Mutual Universal Underwriters of Texas Insurance Company	Plano, TX	Addison, TX	10/20/11
Insurance Company	Austin, TX	C/A cancelled or merged w/ Dairyland County Mutual Insurance Company of Texas Austin, TX	08/23/11
Voluntary Benefits International, Inc.-TPA	Birmingham, AL	No longer involved in TPA business	05/19/11
Wakely and Associates, Inc.-TPA	Clearwater, FL	No longer involved in TPA business	07/19/11
Western Insurance Company	Reno, NV	Salt Lake City, UT (Charter Amendment)	04/21/11
Westward Life Insurance Company	Phoenix, AZ	Corvesta Life Insurance Company	09/16/11

InLicensing

COMPANY NAME	LOCATION	LINE	DATE LICENSED
Allegiance Cobra Services, Inc.-TPA	Missoula, MT	Third Party Administrator	09/02/11
Allied Eastern Indemnity Company	Lancaster, PA	Property & Casualty	07/18/11
American Business & Personal Insurance Mutual, Inc.	Wilmington, DE	Property & Casualty	09/19/11
American Select Insurance Company	Westfield Center, OH	Property & Casualty	08/01/11
Bancorpsouth Insurance Services, Inc.-TPA	Tupelo, MS	Third Party Administrator	08/08/11
Beacon Health Strategies, LLC-TPA	Woburn, MA	Third Party Administrator	10/03/11
Bloomington Compensation Insurance Company	Bloomington, MN	Property & Casualty	11/21/11
Broadreach Medical Resources, Inc.-TPA	Flanders, NJ	Third Party Administrator	10/20/11
Butler Benefit Service, Inc.-TPA	Davenport, IA	Third Party Administrator	08/12/11
Catlin Indemnity Company	Dover, DE	Property & Casualty	07/19/11
Christus Health Plan-HMO	San Antonio, TX	HMO	11/10/11
Eastern Advantage Assurance Company	Lancaster, PA	Property & Casualty	07/18/11
Elephant Insurance Company	Glen Allen, VA	Property & Casualty	09/13/11
HA Partners, Inc.-TPA	Fort Worth, TX	Third Party Administrator	09/28/11
Humana Pharmacy Solutions, Inc.-TPA	Louisville, KY	Third Party Administrator	09/02/11
IBM Daksh Business Process Services Private Limited-TPA	Gurgaon, Haryana, India	Third Party Administrator	01/23/12
Lone Star TPA RX, Inc.-TPA	Tyler, TX	Third Party Administrator	09/16/11
Lone Star TPA, Inc.-TPA	Tyler, TX	Third Party Administrator	09/16/11
Modern Medical, Inc.-TPA	Lewis Center, OH	Third Party Administrator	10/03/11
Monroe Guaranty Insurance Company	Carmel, IN	Property & Casualty	07/19/11
Mountain States Insurance Services, Inc., dba Mountain States Administrative Services-TPA	Tucson, AZ	Third Party Administrator	08/23/11
National Trust Insurance Company	Carmel, IN	Property & Casualty	07/19/11

COMPANY NAME	LOCATION	LINE	DATE LICENSED
Pharmaceutical Technologies, Inc.-TPA	Omaha, NE	Third Party Administrator	07/08/11
Plateau Casualty Insurance Company	Crossville, TN	Property & Casualty	01/09/12
Plateau Insurance Company	Crossville, TN	Life & Health	10/03/11
PMSI, INC., dba PMSI-TPA	Tampa, FL	Third Party Administrator	08/12/11
Professional Risk and Asset Management Insurance Services, Inc., dba Pram Insurance Services, Inc.-TPA	Brea, CA	Third Party Administrator	08/12/11
Samsung Fire & Marine Insurance Co., LTD (US Branch)	New York, NY	Property & Casualty	08/23/11
Savvysherpa Administrative Services, LLC-TPA	Minneapolis, MN	Third Party Administrator	10/12/11
Sendero Health Plans, Inc.-HMO	Austin, TX	HMO	11/01/11
TCS E-Serve International Limited-TPA	Gurgaon, India	Third Party Administrator	11/29/11
Texas Political Subdivisions Joint Self Insurance Fund-TPA	Dallas, TX	Third Party Administrator	09/28/11
Valescent Health LLC-TPA	Dover, DE	Third Party Administrator	12/09/11
Western National Mutual Insurance Company	Edina, MN	Property & Casualty	09/19/11